QUARTERLY REPORT
30 April 2024

AHAM World Series – **Strategic Bond** Fund

MANAGER
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TRUSTEE
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Built On Trust

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AHAM WORLD SERIES – STRATEGIC BOND FUND

Quarterly Report and Financial Statements
As at 30 April 2024

Contents	Page

QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM World Series – Strategic Bond Fund
Fund Type	Growth
Fund Category	Feeder (wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over long term period.
Benchmark	Bloomberg Barclays Global Aggregate (USD hedged)
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

FUND PERFORMANCE DATA

USD Class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (USD'million)	0.003	0.004
NAV per Unit (USD)	0.3415	0.3658
Unit in Circulation (million)	0.010	0.010

MYR Hedged-class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (RM'million)	0.057	0.569
NAV per Unit (RM)	0.3466	0.3753
Unit in Circulation (million)	0.164	1.517

SGD Hedged-class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (SGD'million)	0.003	0.004
NAV per Unit (SGD)	0.3310	0.3580
Unit in Circulation (million)	0.010	0.010

AUD Hedged-class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (AUD'million)	0.003	0.004
NAV per Unit (AUD)	0.3254	0.3510
Unit in Circulation (million)	0.010	0.010

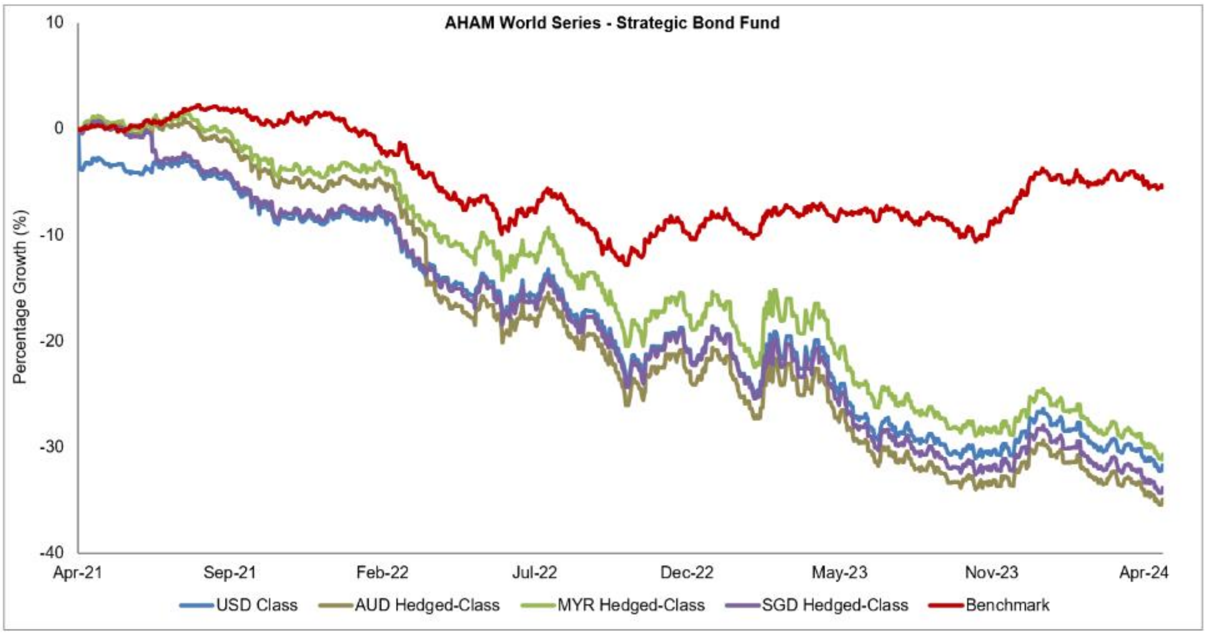
Fund Performance

Table 1: Performance as at 30 April 2024

	3 Months (1/2/24 - 30/4/24)	6 Months (1/11/23 - 30/4/24)	1 Year (1/5/23 - 30/4/24)	3 Years (1/5/21 - 30/4/24)	Since Commencement (2/4/21 - 30/4/24)
Benchmark	(1.40%)	5.04%	1.94%	(5.61%)	(5.55%)
USD Class	(4.72%)	(1.59%)	(12.75%)	(29.35%)	(31.70%)
Outperformance	(3.32%)	(6.63%)	(14.69%)	(23.74%)	(26.15%)
AUD Hedged-Class	(5.16%)	(2.14%)	(13.85%)	(35.18%)	(34.92%)
Outperformance	(3.76%)	(7.18%)	(15.79%)	(29.57%)	(29.37%)
MYR Hedged-Class	(5.64%)	(3.08%)	(15.17%)	(31.15%)	(30.68%)
Outperformance	(4.24%)	(8.12%)	(17.11%)	(25.54%)	(25.13%)
SGD Hedged-Class	(5.37%)	(2.50%)	(14.49%)	(33.88%)	(33.80%)
Outperformance	(3.97%)	(7.54%)	(16.43%)	(28.27%)	(28.25%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



"This information is prepared by AHAM Asset Management Berhad for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."
Benchmark: Bloomberg Barclays Global Aggregate (USD hedged)

Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

Asset Allocation

Fund's asset mix during the period under review:

	30 April 2024
	(%)
Unit Trust	371.72
Derivative	-0.78
Cash & money market	-270.94
Total	100.00

Income Distribution Breakdown

No income distribution or unit split were declared for the financial period ended 30 April 2024.

Strategies Employed

The Target Fund invests across the fixed income spectrum, taking a global, unconstrained approach in order to deliver returns from the full range of fixed income instruments. We believe it differs from its peers as it has four core global drivers of alpha, rather than domestic ones, namely duration, credit, foreign exchange (FX) and inflation.

The Target Fund targets a low correlation with equities so that it behaves like a true bond fund and plays the role in diversifying investors' portfolios that bonds should.

The Target Fund aims to outperform the global bond market over a three-year investment horizon, and we have chosen one of the broadest bond benchmarks to reflect this - Barclays Global Aggregate (hedged to Sterling) Index.

Market Review

The Target Fund aimed to profit from an economic slowdown in the first quarter of 2024. This strategy relied on holding long-term bonds (duration) that benefit from falling interest rates, and betting against risky assets like high-yield corporate bonds and emerging market currencies through short positions. They also held "safe haven" currencies like USD and JPY during this period.

February saw losses due to rising interest rates and a flattening yield curve, particularly in the US Treasury and German Bund markets. While these long duration positions were a drag, they benefited from a short position in credit as EUR and USD high yield spreads widened.

March brought some positive performance. The Target Fund's overweight position in duration benefitted as core government bond yields decreased. It also gained from an underweight position in USD rates, which underperformed compared to currencies like GBP and AUD where they had larger holdings. However, their curve steepener positions were a negative factor as the US Treasury curve flattened further. Credit was a major detractor as credit spreads tightened and peripheral government bond yields went down.

April continued the mixed performance. The duration overweight helped again as core bond yields fell, but curve steepener positions remained a drag. The fund took a hit on credit as EUR and USD high yield credit spreads tightened again. They did see some benefit from short positions in Italian government bonds that were reduced during the month.

Overall, the Target Fund's performance in the first quarter was mixed. While its long-duration strategy helped during periods of falling interest rates, losses were also faced from curve flattening and positions in credit that tightened unexpectedly. The Target Fund Managers maintain their view of a coming recession and believe risky assets are mispriced, so they continue to hold short positions and look for signs of slowing economic growth.

Investment Outlook

The Target Fund Manager's base case has been that the global economy would enter recession, where the main driver of this view has been that the aggressive interest rates hikes (with rates expected to stay elevated for years) and other monetary tightening would choke off demand.

The Target Fund Managers are a little surprised that there haven't been further signs of cracks appearing in the global economy since the end of Q1 2023, when the US banking crisis and collapse of Credit Suisse caused a brief reappraisal of recession risk. There are some arguments that can be made for why the lags between interest rate increases and their impact on global growth this time around may be a little longer than the roughly 12 months historically seen in economic cycles (e.g. policy giveaways, excess savings, still elevated corporate earnings, households and corporations terming out debt in 2020, labour hoarding, etc.). But this just delays the crunch, it doesn't prevent it. The easing of financial conditions since the summer of last year (tighter credit spreads, lower bond yields, higher equity prices, which can be a short-term lead indicator to growth) is likely to provide a temporary boost to the economy in the near term. But this is likely to fade unless we see further easing.

Bond yields declined substantially from mid-October 2023 to the end of the year, driven by inflation undershooting market expectations, and central banks becoming more dovish on the back of it. But yields have since bounced higher, as economic growth (namely in the US) continues to hold up better than expected.

Risk assets are now fully pricing in a 'no landing' (or 'no recession') scenario of the economy. The Target Fund Manager's outlook of underlying cyclical weakness in profits and jobs suggests that valuations are extended and a sustained sell-off in risk assets is a real risk, which would raise refinancing challenges for corporates. Anyone who has a lot of debt to refinance is still in pain. This will hurt corporates, and if this keeps going it could hurt governments too.

In terms of recent trends, it is notable how rapidly European data deteriorated in Q3-Q4 of 2023, and this is with the Eurozone barely feeling any impact at all from all the European Central Bank (ECB) rate hikes, given that the ECB only began hiking in July 2022. The weakness in European data was behind the Target Fund Manager's decision to reduce duration exposure coming from North America in favour of Europe in early autumn 2023. Data outside the US has shown some signs of improvement although only from weak levels. The global economy has still not felt all the impact from the previous rate hikes which will be a drag on growth over the remainder of this year.

The latest US jobs reports were on the stronger side with the unemployment rate dropping. But a range of survey and hard data continue to suggest a softening labour market, although not quite collapsing yet. But the Target Fund Managers still think that a deterioration in corporate fundamentals over the next 3-6 months will spill over to the labour market, as companies reduce hiring intentions and as job cuts begin to rise.

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	Financial period ended 30.4.2024 USD	Financial period ended 30.4.2023 USD
INVESTMENT LOSS		
Net gain/(loss) on foreign currency exchange	306	(3)
Net loss on forward foreign currency contracts at fair value through profit or loss	(7,794)	(2,652)
Net loss on financial assets at fair value through profit or loss	(3,735)	(9,771)
	(11,223)	(12,426)
EXPENSES		
Management fee	(772)	(879)
Trustee fee	(29)	(34)
Other expenses	(905)	(675)
	(1,706)	(1,588)
NET LOSS BEFORE TAXATION	(12,929)	(14,014)
Taxation	-	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	(12,929)	(14,014)
Decrease of net asset attributable to unitholders is made up of the following:		
Realised amount	(19,475)	(10,264)
Unrealised amount	6,546	(3,750)
	(12,929)	(14,014)

AHAM WORLD SERIES – STRATEGIC BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2024

	2024 USD	2023 USD
ASSETS		
Cash and cash equivalents	1,901	2,838
Amount due from Manager		
- management fee rebate receivable	68	81
Financial assets at fair value through profit or loss	73,927	108,370
TOTAL ASSETS	75,896	111,289
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	156	1,498
Amount due to broker	510	-
Amount due to Manager		
- cancellation of units	55,057	-
- management fee	73	92
Amount due to Trustee	3	3
Payables payables and accruals	209	-
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	56,008	1,593
NET ASSET VALUE OF THE FUND	19,888	109,696
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	19,888	109,696

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2024 (CONTINUED)

	2024 USD	2023 USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class	2,126	2,486
- MYR Hedged-class	11,915	100,402
- SGD Hedged-class	2,432	2,894
- USD Class	3,415	3,914
	19,888	109,696
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	10,000	10,000
- MYR Hedged-class	164,000	1,096,000
- SGD Hedged-class	10,000	10,000
- USD Class	10,000	10,000
	194,000	1,126,000
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class	0.2126	0.2486
- MYR Hedged-class	0.0727	0.0916
- SGD Hedged-class	0.2432	0.2895
- USD Class	0.3415	0.3914
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.3254	AUD0.3777
- MYR Hedged-class	RM0.3466	RM0.4086
- SGD Hedged-class	SGD0.3310	SGD0.3871
- USD Class	USD0.3415	USD0.3914

AHAM WORLD SERIES – STRATEGIC BOND FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	Financial period ended 30.4.2024 USD	Financial period ended 30.4.2023 USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	98,380	138,879
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	34,563	-
- MYR Hedged-class	34,563	-
Cancellation of units	(100,126)	(15,169)
- MYR Hedged-class	(100,126)	(15,169)
Net decrease in net assets attributable to unitholders during the financial period	(12,929)	(14,014)
- AUD Hedged-class	(170)	(449)
- MYR Hedged-class	(12,417)	(12,949)
- SGD Hedged-class	(204)	(214)
- USD Class	(138)	(402)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	19,888	109,696

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